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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/915,826	07/25/2001	Rajarshi Das	YOR920010348US1	7921

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EXAMINER	
FADOK, MARK A	
ART UNIT	**PAPER NUMBER**
3625	

DATE MAILED: 09/15/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/915,826	DAS ET AL.	
	Examiner	Art Unit	
	Mark Fadok	3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *16 June 2005*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-20* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-20* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Response to Reply

The examiner is in receipt of applicant's response to office action mailed 3/11/2005, which was received 6/16/2005. Acknowledgement is made that no amendments were made to the claims, leaving claims 1-20 as pending in the instant claims. The applicant's arguments and exhibits have been carefully considered, the newly provided 1.132 declaration establishes conception and also overcomes the NAFTA/WTO allegation requirement, however the provided information was not found to be convincing in overcoming the diligence requirement, therefore the previous office action is restated below.

Rule 1.131 Affidavit

The affidavit/declaration of Das et al. filed on 12/22/2004 and 5/16/2005 under 37 CFR 1.131 has been considered but is ineffective to overcome the reference Al-Kazily.

Failure to establish diligence

The evidence submitted is insufficient to establish diligence from a date prior to the date of reduction to practice of the Al-Kazily reference to either a constructive reduction to practice or an actual reduction to practice. In the present case, the applicant's have not properly established diligence through sketches, notebook entries, etc. for the ***entire*** time from prior to the date of the Al-Kazily reference up to the date of reduction to practice. "An applicant must account for the entire period during which

diligence is required." *Gould v. Schawlow, 363 F.2d 908, 919, 150 USPQ 634, 643 (CCPA 1966).* Statements that the subject matter "was diligently reduced to practice" is not a showing "but a mere pleading." *In re Harry, 333 F.2d 920, 923, 142 USPQ 164, 166 (CCPA 1964).* Diligence requires that Applicants must be specific as to dates and facts. *Kendall v. Searles, 173 F.2d 986, 993, 81 USPQ 363, 369 (CCPA 1949).* (Also see MPEP 2138.06).

Examiner's Note

Examiner has cited particular columns and line numbers or figures in the references as applied to the claims below for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Applicant defined terms

Negotiation - "the term "negotiation" is used simply to refer to the process of making a business purchasing or selling decision. Such "negotiation" may entail offers

and counteroffers, as is generally understood to be involved in a "negotiation" or may simply be a "take-it-or-leave-it "negotiation" in which a product is offered for sale with nonnegotiable terms. Any type of operational business purchasing and/or selling decision is intended to be within the scope of the term "negotiation" as it is used in this disclosure.

Exogenous preferences – "In addition to the previous history information, the present invention may further use exogenous preferences or constraints to influence the selection of a vendor or marketplace. For example, this exogenous preference or constraint information may include the names of known vendors to prefer or avoid, rank orderings of vendors to prefer for certain types of products, and the like."

Interoperability mechanisms – "(e.g., negotiation protocols, etc.)"

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-8, 19 and 20 are rejected under 35 U.S.C. 102(e) as being Anticipated by Al-Kazily (US 2002/0111874).

In regard to claim 1, Al-Kazily discloses a method of making purchasing decisions for purchasing a product or service, comprising: obtaining one or more rules identifying strategic purchasing policies (page 4, para 0039);

obtaining one or more attributes for the product or service to be purchased (page 2, para 0019); and

automatically making a decision to purchase the product or service from a vendor based on the one or more rules and the one or more attributes (page 4, para 0041).

In regard to claim 2, Al-Kazily teaches wherein the one or more rules include one or more rules directed to at least one of an identification of the types of products or services that are to be purchased over a specified period of time, preferred terms and conditions of purchases, preferred shipping or delivery policies, desired expiration times on orders, target purchase prices, thresholds for maximum purchase prices, target values for product/service or vendor quality metrics, rank orderings or relative weights for calculating tradeoffs among different product/service or vendor attributes, sets of products or services that may be substituted for each other, default policies for product returns, rank ordered or weighted lists of preferred vendors, preferred payment methods, and parameters used in automated price calculation algorithms (page 3, para 0034).

In regard to claim 3, Al-Kazily teaches wherein the one or more attributes includes at least one of a maximum price to be paid for the product or service, a maximum number of products for purchase, sets of products or services that may be substituted for each other, information about which sets of products or services are preferred, information such as rank orderings or weights for determining tradeoffs among imperfectly substitutable products or services, information for determining tradeoffs between product or service prices, order size, and delivery times, information for determining tradeoffs between product or service prices and vendor preferences, and thresholds for minimum acceptable quality measures (page 2, para 0019).

In regard to claim 4, Al-Kazily teaches wherein the product or service is associated with a multi-attribute utility function that describes an interrelation between multiple attributes of the one or more attributes (page 3, para 0033).

In regard to claim 5, Al-Kazily teaches wherein the one or more attributes are dynamically set (page 3, para. 0031, determining order size based on available inventory)

In regard to claim 6, Al-Kazily teaches wherein the one or more attributes are fixed (page 3, para. 0034).

In regard to claim 7, Al-Kazily teaches wherein at least one of the one or more attributes is dynamically set and at least one of the one or more attributes is fixed (see above).

In regard to claim 8, Al-Kazily teaches wherein a value of at least one of the one or more attributes is automatically set (page 4, para 0035 and 0036).

In regards to claim 19, Al-Kazily teaches storing a record of the purchase (FIG 4, item 42).

In regards to claim 20, Al-Kazily teaches wherein the method is implemented in a distributed data processing system (FIG 1).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 9-14,16-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over Al-Kazily in view of Kansal (6647374).

In regard to claim 9, Al-Kazily teaches automatically choosing a vendor and sending an order request (page 6, para 0058 and page 5, para 0043), but does not specifically mention that the system is selecting a set of vendors from which the product or service may be purchased and evaluating each vendor in the set of vendors and choosing a vendor from the set of vendors from which to purchase the product or service. Kansal teaches selecting a vendor after evaluating their ability to service a contract (Abstract). It would have been obvious to a person having ordinary skill in the art at the time of the invention to use the vendor selection system of Kansal in the automated procurement system of Al-Kazily, because this would improve the selection process of vendors and maximize the time and efficiency of the company (Al-Kazily, page 2 para 004).

In regard to claim 10, the combination of Al-Kazily/Kansal teaches wherein automatically selecting a set of vendors includes: obtaining history information regarding one or more vendors; and selecting the set of vendors from the one or more vendors based on the history information (Kansal, FIG 1 and 2).

In regard to claim 11, the combination of Al-Kazily/Kansal teaches wherein the history information includes at least one of a previous history of purchases from the vendor, a negotiation history with the vendor, and a fulfillment history with the vendor (Kansal, col 6, table 1).

In regard to claim 12, the combination of Al-Kazily/Kansal teaches wherein automatically selecting a set of vendors includes: obtaining exogenous preference information for one or more vendors; and selecting the set of vendors from the one or more vendors based on the exogenous preference information (Kansal, FIG 5).

In regard to claim 13, the combination of Al-Kazily/Kansal teaches wherein the exogenous preference information includes at least one of identification information of vendors to prefer, identification information of vendors to avoid, a rank ordering of vendors, and a rank ordering of vendors to prefer for the product or service (Kansal, FIG 3).

In regard to claim 14, the combination of Al-Kazily/Kansal teaches wherein automatically selecting a set of vendors includes: obtaining interoperability mechanism information for one or more vendors; and selecting the set of vendors from the one or more vendors based on the interoperability mechanism information (page 6, para 58).

In regard to claim 16, the combination of Al-Kazily/Kansal teaches wherein automatically evaluating each vendor in the set of vendors includes negotiating with each vendor for the purchase of the product or service based on the one or more rules and the one or more attributes of the product or service (see claim 1 and page 6, para 0058).

In regard to claim 17, the combination of Al-Kazily/Kansal teaches wherein negotiating with each vendor includes at least one of selecting vendors by comparing prices in vendor on-line catalogs with a maximum price attribute for the product or service, placing one or more bids in an auction, and haggling over terms of the purchase (page 6, para 0059).

In regard to claim 18, the combination of Al-Kazily/Kansal teaches wherein negotiating with each vendor includes negotiating based on one or more negotiation parameters including at least one of: a threshold on a maximum price to offer; parameters of algorithms used to calculate the maximum price to offer; thresholds on minimum acceptable quality; how long before an end of an auction to stop attempts at obtaining a better deal; preferred increments in price when making counteroffers; preferences, weights, or rank orderings for evaluating tradeoffs among alternatives among substitutable products, product attributes, terms and conditions, delivery times or costs, and vendor attributes; tunable parameters of algorithms used in calculating offers; rank orderings of preferred algorithms to use with particular vendors; and information about which negotiation protocols are supported by each vendor in the set of vendors (page 2, para. 0034, price range which includes a maximum price).

Claim 15 is rejected under 35 U.S.C. 103(a) as being unpatentable over Al-Kazily in view of Kansal and further in view of Official Notice.

In regard to claim 15, the combination of Al-Kazily/Kansal teach automatically selecting vendors based on a plethora of interrelated information, but does not specifically mention that the information is coming from a third party. It was old and well known in the art at the time of the invention to get information from a third party source (ex. Better Business Bureau). It would have been obvious to a person having ordinary skill in the art at the time of the invention to include in the combination of Al-Kazily and Kansal obtaining information about one or more vendors from a third party; and selecting the set of vendors from the one or more vendors based on the information obtained from the third party, because this would be an additional source of information that could be used to assure that the risk is reduced in the selection of a vendor.

Response to Arguments

Applicant's arguments filed 12/22/2004 have been fully considered but they are not persuasive.

In response to applicant's argument that the provided 1.131 affidavit overcomes the cited reference was ineffective. As noted below applicant has not accounted for the entire period as required (see MPEP 2138.06). Further, applicant states in item (5) of the Declaration dated 4/28/2005 that there is an attached disclosure that was last modified February 5, 2001. The examiner has not been able to identify this disclosure.

Applicant argues that there was not a significant periods of inactivity. The examiner disagrees and directs the applicant's attention below where the courts have

found that even 2 days of inactivity were found to be fatal. There also appears to be contradictory statements. Applicants declaration states that the invention was conceived on or before February 5, 2001, however, in applicants remarks page 7 of 11, the applicant states that "In this case, upon conception, the inventors filed an invention disclosure on February 23, 2001", which implies that the instant invention was conceived on February 23, 2001.

THE ENTIRE PERIOD DURING WHICH DILIGENCE IS REQUIRED MUST BE ACCOUNTED FOR BY EITHER AFFIRMATIVE ACTS OR ACCEPTABLE EXCUSES

An applicant must account for the entire period during which diligence is required. Gould v. Schawlow, 363 F.2d 908, 919, 150 USPQ 634, 643 (CCPA 1966) (Merely stating that there were no weeks or months that the invention was not worked on is not
enough.); In re Harry, 333 F.2d 920, 923, 142 USPQ 164, 166 (CCPA 1964) (statement that the subject matter "was diligently reduced to practice" is not a showing but a mere pleading). A 2-day period lacking activity has been held to be fatal. In re Mulder, 716 F.2d 1542, 1545, 219 USPQ 189, 193 (Fed. Cir. 1983) (37 CFR 1.131 issue); Fitzgerald v. Arbib, 268 F.2d 763, 766, 122 USPQ 530, 532 (CCPA 1959) (Less than 1 month of inactivity during critical period. Efforts to exploit an invention commercially do not constitute diligence in reducing it to practice. An actual reduction to practice in the case of a design for a three-dimensional article requires that it should be embodied in some structure other than a mere drawing.); Kendall v. Searles, 173 F.2d 986, 993, 81 USPQ 363, 369 (CCPA 1949) (Diligence requires that applicants must be specific as to dates and facts.).

The period during which diligence is required must be accounted for by either affirmative acts or acceptable excuses. Rebstock v. Flouret, 191 USPQ 342, 345 (Bd. Pat. Inter. 1975); Rieser v. Williams, 225 F.2d 419, 423, 118 USPQ 96, 100 (CCPA 1958)

(Being last to reduce to practice, party cannot prevail unless he has shown that he was first to conceive and that he exercised reasonable diligence during the critical period from just prior to opponent's entry into the field); Griffith v. Kanamaru, 816 F.2d 624, 2 USPQ2d 1361 (Fed. Cir. 1987) (Court generally reviewed cases on excuses for inactivity including vacation extended by ill health and daily job demands, and held lack of university funding and personnel are not acceptable excuses.); Litchfield v. Eigen,

535 F.2d 72, 190 USPQ 113 (CCPA 1976) (budgetary limits and availability of animals for testing not sufficiently described); Morway v. Bondi, 203 F.2d 741, 749, 97 USPQ 318, 323 (CCPA 1953) (voluntarily laying aside inventive concept in pursuit of other projects is generally not an acceptable excuse although there may be circumstances creating exceptions); Anderson v. Crowther, 152 USPQ 504, 512 (Bd. Pat. Inter. 1965) (preparation of routine periodic reports covering all accomplishments of the laboratory insufficient to show diligence); Wu v. Jucker, 167 USPQ 467, 472-73 (Bd. Pat. Inter. 1968) (applicant improperly allowed test data sheets to accumulate to a sufficient amount to justify interfering with equipment then in use on another project); Tucker v. Natta, 171 USPQ 494,498 (Bd. Pat. Inter. 1971) ("[a]ctivity directed toward the reduction to practice of a genus does not establish, prima facie, diligence toward the reduction to practice of a species embraced by said genus"); Justus v. Appenzeller, 177 USPQ 332, 340-1 (Bd. Pat. Inter. 1971) (Although it is possible that patentee could have reduced the invention to practice in a shorter time by relying on stock items rather than by designing a particular piece of hardware, patentee exercised reasonable diligence to secure the required hardware to actually reduce the invention to practice. "[I]n deciding the question of diligence it is immaterial that the inventor may not have taken the expeditious course....")."

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Mark Fadok** whose telephone number is **(571) 272-6755**. The examiner can normally be reached Monday thru Thursday 8:00 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, **Wynn Coggins** can be reached on **(571) 272-7159**.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the **receptionist** whose telephone number is **(571) 272-3600.**

Any response to this action should be mailed to:

Commissioner for Patents

P.O. Box 1450

Alexandria, Va. 22313-1450

or faxed to:

(571) 273-8300 [Official communications; including After Final communications labeled "Box AF"]

(571) 273-6755 [Informal/Draft communications, labeled "PROPOSED" or "DRAFT"]

Mark Fadok

Primary Examiner